

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE**

**LIVONIA & FORDOCHE, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 11 2012

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE  
TABLE OF CONTENTS  
DECEMBER 31, 2011**

	<b><u>PAGE</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1-2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3-8
<b>BASIC FINANCIAL STATEMENTS</b>	9
Statement of Net Assets	10
Statement of Activities	11
Balance Sheet – Governmental Fund – General Fund	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund-Type – General Fund	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of the Governmental Funds to the Statement of Activities	14
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	15-26
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	27
Budgetary Comparison Schedule – General Fund	28
<b>SUPPLEMENTARY INFORMATION</b>	29
Taxable Property Valuations	30
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Bases on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31-32
Schedule of Findings and Questioned Costs	33-34
Schedule of Prior Year Findings and Questioned Costs	35

# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

**Hugh F. Baxley, CPA/CVA/PFS/FCPA**  
**Margaret A. Pritchard, CPA**

-----  
**Staci H. Joffrion, CPA**

**Board of Commissioners  
Fire Protection District No. 4  
of the Parish of Pointe Coupee  
Livonia & Fardoche, Louisiana**

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities of the Fire Protection District No. 4 of The Parish of Pointe Coupee, Louisiana, (the "District"), as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Fire Protection District No. 4 of the Parish Pointe Coupee, Louisiana as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2012, on our consideration of the District's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 27 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and are not required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 7, 2012

## **MANAGEMENT'S DISUSSION AND ANALYSIS**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

As management of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2011. The intended purpose of the Management's Discussion and Analysis (MD&A) is to provide an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions. The MD&A provides an easily readable summary of operating results and reasons for changes that will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior year data in this analysis, we will be drawing upon information from last year's audited financial report.

**FINANCIAL HIGHLIGHTS**

- The District's net assets increased by \$294,777 from \$2,293,891 in 2010 to \$2,588,668 in 2011.
- Ad valorem taxes decreased from \$561,933 in 2010 to \$517,895 in 2011.
- Revenues from the quarter cent sales tax increased from \$148,139 in 2010 to \$156,118 in 2011.
- Cash, cash equivalents, and investments increased by \$11,609 for the year ended December 31, 2011.

**OVERVIEW OF THE BASIS FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basis financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements, presented on pages 10 and 11, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's Government-Wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The District's sole operation of fire protection is classified as governmental activities.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only one fund which is categorized as a governmental fund.

Governmental funds, presented on pages 12 through 14, are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget. A budgetary comparison schedule has been provided for the District's operations.

**Notes to the Financial Statements**

The notes, presented on pages 15 through 26, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information concerning the District's budgetary control, on page 28. A tabulation of taxable property is presented on page 30 as supplementary to assist the reader in understanding the economic growth of the District and the effect it has on operations and fire protection ratings.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. At the end of the most recent year, the assets of the District exceeded its liabilities by \$2,588,474.

The District's net assets are mainly composed of \$1,735,398 investment in capital assets (land, buildings, vehicles and equipment, etc.). The District uses these capital assets to provide fire protection services to residents and businesses that encompass the area from parish line at west Erwinville to the middle of the Atchafalaya River at the St. Landry Parish Line from the Iberville Parish line near north Maringouin along Highway 77 to Highway 10 and along Highway 78 to the BP Amoco Plant. Protection is also provided inside the corporate limits of the Town of Livonia and the Village of Fordoche. Consequently, these assets are not available for future spending.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net assets, \$853,076, may be used to meet the District's future operations.

**SUMMARY OF NET ASSETS**

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 902,767	\$ 900,199
Capital assets	<u>2,329,651</u>	<u>1,702,091</u>
Total assets	<u>3,232,418</u>	<u>2,602,290</u>
Current and other liabilities	49,496	47,100
Noncurrent liabilities	<u>594,254</u>	<u>261,299</u>
Total liabilities	<u>643,750</u>	<u>308,399</u>
Net assets -		
Invested in capital assets	1,735,398	1,440,792
Unrestricted	<u>853,270</u>	<u>853,099</u>
Total net assets	<u>2,588,668</u>	<u>2,293,891</u>

The District's total revenues decreased by \$751,557 from \$1,673,062 in 2010 to \$921,505 in 2011.



**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total expenses decreased by \$582,478 from \$1,209,206 in 2010 to \$626,728 in 2011. This is due to the purchase of radios from the FEMA grant that were distributed to Fire Protection District No.'s 2, 3, and 5 in 2010. From the proceeds of the sales tax revenues, the District spent \$134,748 on salaries for full-time firemen to man the fire stations for the protection of the District.

<b>Changes in Net Assets</b>		
	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Revenues:		
Taxes	\$ 674,013	\$ 710,072
Intergovernmental revenues	239,100	955,725
Interest income and other revenue	8,392	7,265
Total Revenues	<u>921,505</u>	<u>1,673,062</u>
Expenses:		
Operating	420,377	1,032,765
Depreciation	<u>206,351</u>	<u>176,441</u>
Total Expenses	<u>626,728</u>	<u>1,209,206</u>
Change in Net Assets	294,777	463,856
Beginning Net Assets	<u>2,293,891</u>	<u>1,830,035</u>
Ending Net Assets	<u>\$ 2,588,668</u>	<u>\$ 2,293,891</u>

**GOVERNMENTAL FUND FINANCIAL ANALYSIS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

The fund balance of the District increased by \$171 during the current year.

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BUDGETARY HIGHLIGHTS**

The District's annual budget is the legally adopted expenditure control document of the District. A budgetary comparison statement is required and can be found on page 28. This statement compares the original adopted budget, the budget if amended throughout the year, and the actual expenditures prepared on a budgetary basis.

Budgeted revenues of \$944,363 exceeded actual revenues of \$921,505 by \$22,858, while actual expenditures of \$921,334 exceeded budgeted expenditures of \$897,113 by \$24,221.

**CAPITAL ASSETS**

At December 31, 2011 and 2010, the District has \$2,329,651 and \$1,702,091, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, and equipment. Further detail on capital assets is presented in Note C on pages 22-23.

During the current year, the District obtained air packs equipment with the use of a grant that totaled \$205,551.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District serves a population estimated at over 4,500 and two incorporated areas – Fordoche and Livonia. With the passage of a .25% sales tax in 2007, the District has attained an IRC in Rating of 3 and an IRC Out Rating of 4. The attainment of these low ratings brings increased operating costs and new requirements mandated by the State Fire Marshall. These items made it necessary for management to consider these factors in making future budget projections. Consequently, management has projected budget operations to December 31, 2011. Such long range projections assist management in evaluating net acquisitions or replacements to keep the fire insurance rating at a level that will return fire protection and an economic benefit to its taxpayers.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. If you have questions about this report or need additional financial information, contact Bridget Bergeron, Secretary of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana at (225) 413-3077.

## **BASIC FINANCIAL STATEMENTS**

**EXHIBIT A**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2011**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 238,641
Investments	100,143
Receivables:	
Ad valorem taxes	526,224
Sales taxes	10,514
State revenue sharing	7,267
Accrued interest	344
Pointe Coupee Fire District No. 3	200
Prepaid insurance	19,434
Capital assets (net of accumulated depreciation):	
Land	131,000
Buildings	363,485
Firefighting equipment and tools	314,402
Fire hydrants and water supply lines	52,744
Radios and paging equipment	369,607
Vehicles	1,082,572
Medical equipment	7,565
Health and wellness equipment	2,127
Furniture, fixtures, and equipment	6,149
<b>TOTAL ASSETS</b>	<b>\$ 3,232,418</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 22,160
Accrued wages payable	2,034
Payroll taxes payable	2,440
Amount due retirement system	22,604
Due to other governmental units	258
Noncurrent liabilities:	
Due within one year	87,348
Due in more than one year	506,906
<b>TOTAL LIABILITIES</b>	<b>643,750</b>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,735,398
Unrestricted	853,270
<b>TOTAL NET ASSETS</b>	<b>\$ 2,588,668</b>

The accompanying notes are an integral part of this statement.

## EXHIBIT B

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Public safety	\$ 626,728	-	-	\$ (415,088)
Total Governmental Activities	<u>\$ 626,728</u>	<u>-</u>	<u>-</u>	<u>(415,088)</u>
General Revenues:				
Taxes:				
Property taxes				517,895
Sales taxes				156,118
General intergovernmental revenues				27,440
Interest earnings				3,621
Other				<u>4,771</u>
Total General Revenues				<u>709,845</u>
Change in Net Assets				294,777
Net Assets at the Beginning of Year				<u>2,293,891</u>
Net Assets at End of Year				<u>\$ 2,588,668</u>

The accompanying notes are an integral part of this statement.

## EXHIBIT C

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
BALANCE SHEET  
GOVERNMENTAL FUND - GENERAL FUND  
DECEMBER 31, 2011**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 238,641
Investments	100,143
Receivables:	
Ad valorem taxes	526,224
Sales taxes	10,514
State revenue sharing	7,267
Accrued interest	344
Pointe Coupee Fire District No. 3	200
Prepaid insurance	<u>19,434</u>
<b>TOTAL ASSETS</b>	<u>\$ 902,767</u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 22,160
Accrued wages payable	2,034
Payroll taxes payable	2,441
Amount due retirement system	22,604
Due to other governmental units	
Fire District No. 2 of Pointe Coupee	<u>258</u>
<b>Total Liabilities</b>	<u>49,497</u>
<b>Fund Balance:</b>	
Unassigned	<u>853,270</u>
<b>Total Fund Balances</b>	<u>853,270</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	2,329,652
Long-term liabilities of governmental funds, including capital leases and notes payable are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(594,254)</u>
<b>Net assets of governmental activities</b>	<u>\$ 2,588,668</u>

The accompanying notes are an integral part of this statement.

## EXHIBIT D

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND TYPE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**REVENUES**

Taxes -	
Ad valorem taxes	\$ 517,895
Sales taxes	156,118
Intergovernmental revenues -	
Federal grants	211,660
Forestry grant	5,108
State fire insurance rebate	15,065
State revenue sharing	7,267
Miscellaneous revenues -	
Interest income	3,621
Other	4,771
<b>TOTAL REVENUES</b>	<b><u>921,505</u></b>

**EXPENDITURES**

Current operations -	
Salary - firemen	134,748
Salary - secretary/accountant	4,389
Payroll taxes	27,061
Professional fees	12,205
Tax collector fees	22,604
Computer services	7,011
Dispatch	7,000
Medical examinations	1,352
Vehicle maintenance	29,934
Firefighting equipment maintenance	24,078
Radios and pagers maintenance	1,918
Building maintenance	8,203
Uniforms and protective gear	35,063
Supplies and small tools	12,519
Medical supplies	3,711
Utilities	13,884
Telephone	3,662
Internet service	1,833
Insurance	57,257
Training and fire prevention	53,097
Supplies, postage and printing	11,866
Dues and subscriptions	1,205
Miscellaneous	1,415
Capital outlays -	
Vehicles	182,524
Buildings	1,149
Radios and paging equipment	2,418
Furniture, fixtures, and equipment	4,931
Firefighting equipment and tools	225,988
Rescue equipment	8,160
Wellness and fitness equipment	2,279
Debt service -	
Principal retirement	15,937
Interest expense	1,933
<b>TOTAL EXPENDITURES</b>	<b><u>921,334</u></b>

**EXCESS (DEFICIENCY) OF REVENUES  
OVER EXPENDITURES**

171

**FUND BALANCE AT BEGINNING OF YEAR** 853,099

**FUND BALANCE AT END OF YEAR** \$ 853,270

The accompanying notes are an integral part of this statement.

**EXHIBIT E**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Amounts reported for governmental activities are different because:**

<b>Net change in fund balances - total governmental funds (page 13)</b>	<b>\$ 171</b>
---	---------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$206,351) exceeded capital outlays (\$833,912) in the current period.

627,561

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental. Neither transaction, however, has any effect on net assets

Debt payments	\$244,424	
Issuance of new debt	(\$577,379)	<u>(332,955)</u>

<b>Change in net assets of governmental activities (page 11)</b>	<b>\$ <u>294,777</u></b>
--	--------------------------

The accompanying notes are an integral part of this statement.



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Fire Protection District No. 4 of the Parish of Pointe Coupee (the "District") was created by a resolution of the Pointe Coupee Parish Police Jury in 1981. The District operates under a commission form of government and provides fire protection services to all the territory situated within the limits of Pointe Coupee Election Districts 10 and 11. The Election Districts were constituted in 1981, and it was created in accordance with the authority of LRS 40:1494, and Article VI, Section 19 of the Constitution of the State of Louisiana for the year 1974 and other constitutional and statutory authority supplemental thereto and Local Services Agreements entered into by this Police Jury, the Mayor and Board of Aldermen of the Town of Livonia, and the Mayor and Board of Aldermen of the Town of Fordoche, Louisiana.

**Reporting Entity**

As stated previously, the District was created by a resolution of the Pointe Coupee Parish Police Jury in 1981 and is a political subdivision of the Pointe Coupee Parish Police Jury.

In accordance with LRS 40:1494, the District is managed by a board of five commissioners. Two commissioners are appointed by the Pointe Coupee Parish Police Jury, one appointed by the Town of Livonia, and one appointed by the Town of Fordoche. These four commissioners then appoint the fifth to act as chairperson.

In accordance with the requirements of Statement No. 14, The Financial Reporting Entity of the Governmental Accounting Standards Board (GASB), the financial statements present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The previous reporting model emphasized fund types (the total of all funds of a particular type), and in the reporting model as defined by GASB Statement No. 34, the focus is either the District as a whole or major individual funds (within the fund financial statements).

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity, and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, intergovernmental revenues, interest income, etc.).

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund and capital projects fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Government fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The grant revenue availability period is generally considered to be one year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

Ad valorem tax revenues in the General Fund are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual criteria are met.

The following major fund is used by the District in its governmental funds:

- General Fund accounts for the District's primary public safety service and is the primary operating unit of the District.

GASB No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained, and incorporates the information into the Governmental Activities column in the government-wide Statement of Net Assets.

**Assets, Liabilities, Net Assets, and Fund Balances**

**Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include demand deposits and money market accounts. Under state law, the District may deposit funds in demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or of any other state of the United States, or under the laws of the United States.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

State statutes authorize the District to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Cash deposits are reported at carrying amount which reasonably estimates fair value.

Receivables

Receivables consist of all revenues earned at year-end and not yet received.

Inventories

Inventories for supplies are immaterial and are recorded as expenses when purchased.

Capital Assets and Depreciation

The District's property and equipment with useful lives of more than one year are capitalized at historical cost or estimated historical cost. The District's policy has set the capitalization threshold for reporting capital assets at \$500. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Uniforms and protective gear which are susceptible to excessive wear and tear, and fire code regulations are expensed when incurred.

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Capital assets are depreciated using the straight-line method over the estimated useful lives, in years, for depreciable assets as follow:

Buildings	40 years
Vehicles	15 years
Firefighting equipment and tools	10 years
Radios and paging equipment	10 years
Fire hydrants and water supply lines	25 years
Furniture, fixtures, and office equipment	5 & 12 years
Health and wellness equipment	10 years

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Bad Debts**

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance accounts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, there were no amounts considered to be uncollectible.

**Long-term Liabilities**

In the government-wide financial statements, long-term debt is reported as a liability in the applicable governmental activities statement of net assets.

In the government funds financial statements, the face amount of debt is reported as other financing sources. Interest and principal payments are reported as debt service expenditures.

**Net Assets**

In the Statement of Net Assets, the difference between the District's assets and liabilities is recorded as net assets. The three components of net assets are as follows:

- Invested in capital assets, net of related debt – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bond, mortgages, notes, or other borrowings attributable to the acquisition, constructions, or improvement of capital assets.
- Restricted Net Assets – Net assets are reserved by external sources, such as banks or by law, are reported separately as restricted net assets.
- Unrestricted net assets – This category represents all net assets not invested in capital assets or restricted.

**Fund Balance**

Fire Protection District No. 4 of the Parish of Pointe Coupee elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the year ended December 31, 2011. In the fund financial statements, fund balance of the governmental funds are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Restricted – Amounts that cannot be spent only for specific purposes because of constitutional provisions or enabling legislation or because constraints are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments,
- Committed – Amounts that can be used only for specific purposes determined by a formal action of the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the District.
- Assigned – Amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes.
- Unassigned – All other spendable amounts.

As of December 31, 2011, all fund balances were unassigned.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Budgetary Information**

**Policy and Practice**

The Chairman submits an annual budget for the General Fund by Fire Station to the Board in accordance with the Louisiana Local Government Budget Act. The budget is presented to the Board for review, and public hearings are held to address the proposed appropriations. Once approved, and adopted by the Board, the Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

**Basis of Budgeting**

The General Fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures are budgeted by function. Budget revisions at this level are subject to final review by the Board. The legal level of control is by function within the General Fund. Expenditures may not exceed appropriations at this level. Revisions to the budget were made throughout the year.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The General Fund budget is prepared on the modified accrual basis. The budget and actual financial statement is reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year end.

**Sales Tax**

Fire Protection District No. 4 of the Parish of Pointe Coupee accounts for the collection of the 2% Policy Jury Sales Tax from the Pointe Coupee Parish Tax Collector. The District receives .05% of the 2% Police Jury Sales Tax. For the year ended December 31, 2011, the amount of sales tax received by the District was \$156,118.

**NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

At December 31, 2011, the status of deposited funds and collateralized balances are as follows:

	<b>Bank Balances 12/31/11</b>	<b>FDIC Insurance</b>	<b>Balances Uninsured</b>
Cash	\$ 340,906	\$ 340,906	\$ -
Uncollateralized-- Securities pledged and held by custodial banks in the name of fiscal agent banks, at fair market value, at December 31, 2011			<u>-</u>
Excess of FDIC insurance and pledged securities over cash at December 31, 2011			<u>\$ -</u>

Cash and investments are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank.

**Investments**

Investments of the Fire Protection District No. 4 consist of certificates of deposit. These securities are stated at fair value as required by GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. The District used quoted prices to determine the fair value of the investments.

Interest Rate Risk – Fire Protection District No. 4 has no formal investment policy but has adopted the state investment policy of LA RS 49:327. The District invests in investments with maturities limited to two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B – CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk – Deposits –** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District invests in certificates of deposit that are backed by FDIC. The District has adopted the state investment policy at LA RS 49:327 and does not have any other policy that would further limit the investment choices.

**Concentration of Credit Risk –** The District places no limits on the amount they may invest in any one issuer.

The Fire Protection District No. 4 had the following investments at December 31, 2011:

Descriptions	Cost	Fair Value	Maturity Date	Interest Rate
Certificates of Deposit - various banks	\$ 100,143	\$ 100,143	4/24/12-3/18/13	.66%-1.26%
Total Investments	<u>\$ 100,143</u>	<u>\$ 100,143</u>		

At December 31, 2011, the District had certificates of deposit, with an original maturity greater than 90 days, totaling \$100,143.

**NOTE C – CAPITAL ASSETS**

A summary of changes in general fixed assets is as follows:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
Land	\$ 131,000	\$ -	\$ -	\$ 131,000
Buildings	535,899	1,149	-	537,048
Vehicles	1,549,717	588,988	-	2,138,705
Firefighting equipment and tools	458,568	225,988	-	684,556
Radios and paging equipment	765,027	2,418	-	767,445
Medical equipment	40,058	8,160	-	48,218
Furniture, fixtures, and equipment	45,226	4,930	-	50,156
Fire hydrant and water supply lines	115,415	-	-	115,415
Health and wellness equipment	-	2,279	-	2,279
<b>Total Capital Assets</b>	<u>\$ 3,640,910</u>	<u>\$ 833,912</u>	<u>\$ -</u>	<u>\$ 4,474,822</u>



**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE C – CAPITAL ASSETS (CONTINUED)**

	Accumulated Depreciation Balance 1/1/2011	Additions	Deletions	Accumulated Depreciation Balance 12/31/2011	Capital Assets Net of Accumulated Depreciation
Land	\$ -	\$ -	\$ -	\$ -	\$ 131,000
Buildings	160,126	13,436	-	173,562	363,485
Vehicles	994,290	61,843	-	1,056,133	1,082,572
Firefighting equipment and tools	323,684	46,470	-	370,154	314,402
Radios and paging equipment	322,952	74,886	-	397,838	369,607
Medical equipment	40,058	595	-	40,653	7,565
Furniture, fixtures, and equipment	38,559	5,448	-	44,007	6,149
Fire hydrant & water supply lines	59,150	3,521	-	62,671	52,744
Health and wellness equipment	-	152	-	152	2,127
<b>Total Accumulated Depreciation</b>	<b>\$ 1,938,819</b>	<b>\$ 206,351</b>	<b>\$ -</b>	<b>\$ 2,145,170</b>	<b>\$ 2,329,651</b>

Depreciation for the year ended December 31, 2011 was \$206,351.

**NOTE D – LONG-TERM DEBT**

The summary of changes in governmental activities long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2011 is as follows:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Certificate of indebtedness:					
\$75,500 Series 2007	\$ 32,812	\$ -	\$ (15,937)	\$ 16,875	\$ 16,875
Capital lease obligations:					
Government Capital Corp 2009	228,487	-	(228,487)	-	-
Government Capital Corp 2011	-	577,379	-	577,379	70,473
<b>Total Governmental Activities</b>	<b>\$ 261,299</b>	<b>\$ 577,379</b>	<b>\$ (244,424)</b>	<b>\$ 594,254</b>	<b>\$ 87,348</b>

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE D – LONG-TERM DEBT (CONTINUED)**

The debt outstanding at December 31, 2011 is as follows:

**Certificate of indebtedness -**

On October 12, 2007, the District issued certificates of deposit to finance the purchase of land in the amount of \$75,000 which matures on June 1, 2012. Annual installments of \$17,870 which includes interest at the rate of 5.891%.

\$ 16,875

**Government Capital Corporation**

On February 4, 2009, the District entered into a capital lease for the purchase of a fire truck in the amount of \$274,927 which matures on January 10, 2019. Annual installments of \$35,000 which includes interest rate of 4.7%. This lease was refinanced in 2011 in the capital lease that follows.

On November 15, 2011, the District entered into a capital lease agreement for the purchase of two new fire trucks and for the refinancing of the existing lease agreement in the amount of \$577,379 which matures on January 15, 2019. Annual installments of \$95,897 will be paid which includes an interest rate of 3.475%.

577,379

Total Debt Outstanding at December 31, 2011

\$ 594,254

The annual debt service including interest of \$93,900 is as follows:

Year	Government Capital Corporation
2013	95,897
2014	95,897
2015	95,897
2016	95,897
2017-2019	287,691
	<u>\$ 671,279</u>

**NOTE E – AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE E – AD VALOREM TAXES (CONTINUED)**

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 10% of "use" value; and all other property to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax District. The assessor is required to re-appraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Parish. By agreement, the Sheriff receives a commission of approximately 4.23%.

The millage rates are adopted in late October. The taxes are levies and notices are mailed out in mid November of the year. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State Law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If taxes are not paid by the due date of December 31, the taxes bear interest at one and one-fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year in which they are levied and become due. The majority of the year's taxes are usually collected in November and December of the year. Any amounts not collected at December 31 are shown as accounts receivable.

For the year ended December 31, 2011, taxes of \$533,163 were levied on property with assessed valuations totaling \$48,869,249 at the rate of 10.91 mills for the following purposes: (1) maintaining and operating the District's fire protection facilities, (2) purchasing fire trucks and other firefighting equipment, (3) paying the cost of obtaining water for fire protection purposes, including charges for fire hydrant rentals and service, and (4) paying the cost of acquiring, improving, or constructing fire protection facilities of the Fire Protection District, constituting works of public improvement, title to which shall be in the public.

**NOTE F – PENSION PLAN AND RETIREMENT COMMITMENTS**

The District has no pension plan or retirement commitments.

**FIRE PROTECTION DISTRICT NO. 4 OF THE  
PARISH OF POINTE COUPEE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G – RISK RETENTION**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee medical insurance; and natural disasters. The District carries commercial insurance for risks of loss or damage to property, general liability, and medical insurance. There were no significant reductions in insurance coverage in 2011 from coverage in the prior year. Settled claims have not exceeded this commercial coverage in the past three fiscal years.

**NOTE H – LITIGATION AND CLAIMS**

There were no judgments, claims, or other similar contingencies pending against the District at December 31, 2011.

**NOTE I – COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Donald Chenevert	\$	-
Fred Gueho		-
Drake LaCombe		-
Charles Landry		-
Ronnie Barlow		-
	<u>\$</u>	<u>-</u>

**NOTE J – SUBSEQUENT EVENTS**

These financial statements considered subsequent events through June 7, 2012, the date the financial statements were available to be issued.

In January 2012, the District was awarded a Parish Grant in the amount of \$122,000 that was used to purchase pagers because of the re-banding that was occurring. The District had a 10% match for this grant.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**FIRE PROTECTION DISTRICT NO.4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUE</b>				
Taxes -				
Ad valorem	\$ 350,000	\$ 350,000	\$ 517,895	\$ 167,895
Sales taxes	151,000	151,000	156,118	5,118
Intergovernmental revenues -				
Federal grants	211,660	211,660	211,660	-
Forestry grant	10,800	10,800	5,108	(5,692)
State fire insurance rebate	14,816	14,816	15,065	249
State revenue sharing	13,723	13,723	7,267	(6,456)
Other	100,000	100,000	-	(100,000)
Miscellaneous revenues -				
Interest income	3,500	3,500	3,621	121
Other	88,864	88,864	4,771	(84,093)
<b>TOTAL REVENUES</b>	<u>944,363</u>	<u>944,363</u>	<u>921,505</u>	<u>(22,858)</u>
<b>EXPENDITURES</b>				
Current operations -				
Salary - firemen	115,000	115,000	134,748	(19,748)
Salary - secretary/accountant	6,000	6,000	4,389	1,611
Payroll taxes	12,100	12,100	27,061	(14,961)
Professional fees	2,450	2,450	12,205	(9,755)
Tax collector fees	-	-	22,604	(22,604)
Dispatch	8,105	8,105	7,011	1,094
Computer services	3,000	3,000	7,000	(4,000)
Medical examinations	1,500	1,500	1,352	148
Vehicle maintenance	34,700	34,700	29,934	4,766
Firefighting equipment maintenance	7,200	7,200	24,078	(16,878)
Radios and pager maintenance	5,000	5,000	1,918	3,082
Building maintenance	30,500	30,500	8,203	22,297
Uniforms and protective gear	31,500	31,500	35,063	(3,563)
Supplies and small tools	3,000	3,000	12,519	(9,519)
Medical supplies	10,000	10,000	3,711	6,289
Utilities	9,500	9,500	13,884	(4,384)
Telephone	5,300	5,300	3,682	1,618
Internet service	780	780	1,833	(1,053)
Insurance	62,500	62,500	57,257	5,243
Training and fire prevention	40,659	40,659	53,097	(12,438)
Supplies, postage and printing	8,495	8,495	11,866	(3,371)
Dues and subscriptions	2,250	2,250	1,205	1,045
Miscellaneous	2,000	2,000	1,415	585
Capital outlays -				
Vehicles	55,000	55,000	182,524	(127,524)
Buildings	120,000	120,000	1,149	118,851
Radios and paging equipment	24,000	24,000	2,418	21,582
Furniture, fixtures, and equipment	2,153	2,153	4,931	(2,778)
Firefighting equipment and tools	232,550	232,550	225,988	6,562
Rescue equipment	9,000	9,000	8,160	840
Wellness and fitness equipment	-	-	2,279	(2,279)
Debt service -				
Principal retirement	51,871	51,871	15,937	35,934
Interest expense	1,000	1,000	1,933	(933)
<b>TOTAL EXPENDITURES</b>	<u>897,113</u>	<u>897,113</u>	<u>921,334</u>	<u>(24,221)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>47,250</u>	<u>47,250</u>	<u>171</u>	<u>(47,079)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>853,099</u>	<u>853,099</u>	<u>853,099</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 900,349</u>	<u>\$ 900,349</u>	<u>\$ 853,270</u>	<u>\$ (47,079)</u>

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE 1**

**FIRE PROTECTION DISTRICT NO.4  
OF THE PARISH OF POINTE COUPEE  
LIVONIA & FORDOCHE, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
SINCE INCEPTION  
(UNAUDITED)**

<b>Year</b>	<b>Mills Levied</b>	<b>Assessed Value</b>	<b>Homestead Exemption</b>	<b>Tax to be Paid by Owner</b>	<b>Tax to be Paid by State</b>	<b>Total Tax</b>
1982	3.00	\$ 22,435,266	\$ 3,845,101	\$ 55,772	\$ 11,537	\$ 67,309
1983	3.00	24,265,476	3,965,946	60,900	11,900	72,800
1984	3.00	23,989,111	4,072,574	59,251	12,220	71,971
1985	3.00	26,956,547	4,181,788	68,326	12,547	80,873
1986	3.34	24,942,091	4,374,197	68,696	14,609	83,305
1987	3.34	25,357,580	4,397,197	70,007	14,686	84,693
1988	3.60	24,155,783	4,203,073	71,830	15,131	86,961
1989	3.60	24,489,906	4,307,573	72,656	15,507	88,164
1990	3.60	23,671,216	4,393,027	69,402	15,815	85,216
1991	3.60	24,546,980	4,468,982	72,281	16,088	88,369
1992	10.72	24,416,469	4,618,835	212,230	49,514	261,744
1993	10.31	24,753,536	4,753,918	206,197	49,015	255,212
1994	10.31	24,879,333	4,876,381	206,231	50,278	256,509
1995	10.31	26,360,828	5,026,631	219,957	51,827	271,783
1996	10.10	27,597,811	5,647,378	221,701	57,041	278,743
1997	10.10	28,848,919	5,882,582	231,982	59,417	291,379
1998	10.91	27,430,758	6,162,933	232,033	67,239	299,273
1999	10.91	29,060,127	6,379,115	247,451	69,598	317,050
2000	10.91	29,529,102	7,089,964	244,813	77,354	322,166
2001	10.91	30,439,289	7,328,324	252,142	79,954	332,096
2002	10.91	23,034,553	7,537,944	51,309	82,241	333,550
2003	10.91	23,800,929	7,731,604	259,670	84,354	344,024
2004	10.91	27,177,135	8,400,680	296,504	91,653	388,157
2005	10.91	29,342,595	8,606,150	320,130	93,895	414,024
2006	10.91	29,810,018	8,795,410	325,229	95,960	421,189
2007	10.91	31,506,615	8,947,680	343,739	97,621	441,360
2008	9.11	38,094,363	9,440,371	347,040	86,002	433,042
2009	9.11	40,643,479	9,679,321	370,263	88,179	458,442
2010	10.91	49,364,938	9,872,301	538,572	107,705	646,277
2011	10.91	48,869,249	9,976,861	533,163	108,846	642,009



# **BAXLEY AND ASSOCIATES, LLC**

P. O. Box 482  
58225 Belleview Drive  
Plaquemine, Louisiana 70764  
Phone (225) 687-6630 Fax (225) 687-0365

Hugh F. Baxley, CPA/CVA/PFS/FCPA  
Margaret A. Pritchard, CPA

-----  
Staci H. Joffrion, CPA

## **SCHEDULE 2**

Board of Commissioners  
Fire Protection District No. 4 of the  
Parish of Pointe Coupee  
Livonia & Fordoche, Louisiana

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the governmental activities of Fire Protection District No.4 of the Parish of Pointe Coupee, Louisiana (the "District"), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control Over Financial Reporting**

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

**SCHEDULE 2**  
**(continued)**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting (2011-1). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our audit disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the District and its management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

*Baxley & Associates, LLC*

Plaquemine, Louisiana  
June 7, 2012

## **SCHEDULE 3**

### **FIRE PROTECTION DISTRICT NO. 4 OF THE PARISH OF POINTE COUPEE, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2011**

#### **A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of the Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana.
2. One significant deficiency relating to the audit of the financial statements is reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Iberville Parish Assessor.

#### **B. FINDINGS – FINANCIAL STATEMENT AUDIT**

##### **2011-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE WITH GAAP**

###### Condition:

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

###### Criteria:

Year-end adjusting journal entries were not made to the financial statements to ensure that the statements were prepared in accordance with generally accepted accounting principles.

###### Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

**SCHEDULE 3**  
**(continued)**

**FIRE PROTECTION DISTRICT NO. 4**  
**OF THE PARISH OF POINTE COUPEE, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**Recommendation:**

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**Management's Response:**

Due to the small size of the organization, the District does not consider it economically feasible to hire an additional accountant to prepare year-end financial statements.

**SCHEDULE 4**

**FIRE PROTECTION DISTRICT NO. 4  
OF THE PARISH OF POINTE COUPEE, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**2010-1 LACK OF CONTROLS OVER FINANCIAL REPORTING IN ACCORDANCE  
WITH GAAP**

**Condition:**

The District does not have employees with sufficient expertise and training to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a repeat finding.

**Recommendation:**

Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case we do not believe the significant deficiency described above would be cost effective or practical, and accordingly, do not believe any corrective action is necessary.

**Current Status:**

This condition still exists in the current year.